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World Production and Trade

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Weekly
Roundup

WR 1-85

Jan. 4, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

TRADE NOTES

The UNITED STATES notified the Director-General of the General Agreement on Tariffs and Trade (GATT) Dec. 14, 1984, that it was withdrawing from GATT's International Dairy Arrangement (IDA) in 60 days. One of the primary objectives of the IDA is to set minimum export prices for butter and other basic dairy products by participating countries. Following a large sale of surplus butter by the European Community (EC) to the Soviet Union, at prices well below GATT minimum levels, the IDA met to consider the problem. A resolution was adopted by the IDA to authorize the EC sale and permit "other traditional suppliers" to sell butter below the \$1,200-per-metric-ton minimum. The United States objected but did not block adoption of the resolution. U.S. officials concluded that the EC's sale to the Soviets rendered the Arrangement meaningless.

DAIRY, LIVESTOCK AND POULTRY

A poultry team from PERU is visiting Saudi Arabia and Egypt to look for broiler markets. Peru previously has not been a poultry meat exporter except for minor border trade. However, production for export could be expanded rapidly if markets are opened, with potential for shipments of several thousand tons per month. Current wholesale prices in Peru for frozen chickens are around the U.S. level of \$1,100 per ton, but poultry meat exporters would receive a 29-percent export rebate in line with Peru's objective of promoting non-traditional exports. Under those conditions, Peruvian exporters could offer frozen broilers at prices competitive with Brazil and France.

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Expecting to spur sales with its October 1 tax cut and rebate authorization on beef exports, ARGENTINA raised taxes and cut rebates on October 29 to offset a 6.8-percent peso devaluation. Recent changes in the system are as follows:

Date	Beef fresh/frozen	Beef canned/cooked
Before Oct. 1, 1984	15 to 20% tax	0
October 1	0	5% rebate
After Oct. 29, 1984	6% tax	1% tax

While Argentine beef exports were expected to be only marginally affected in 1985, increases are foreseen for 1986. These latest changes could cause some cattlemen to reduce planned increases in cattle numbers during 1985.

The first JAPANESE imports of U.S. bull semen are estimated at slightly over 10,000 units, valued at about \$200,000 f.o.b. Commercial semen imports were previously prohibited in Japan. From November 1984 through October 1985, U.S. semen exports to Japan are expected to total 20,000 units, valued at \$400,000. Imports from other semen exporters, mainly Canada, are expected to be marginal over this period.

A buying team from SINGAPORE will soon visit the Philippines to evaluate 14 large livestock producers as potential exporters of pork and live hogs. This action follows a recent decision by Singapore to discontinue the production of hogs and satisfy its pork requirements through imports. Singapore imported nearly 5,000 tons of pork in 1983. Current domestic pork production is around 61,000 tons; as swine herds are reduced in size, import demand will increase correspondingly.

COTTON AND FIBERS

Using GSM-102 credit guarantees, EGYPT purchased 100,000 bales of cotton on December 28 for shipment from January through March. Egypt's total cotton import requirement for August 1984-July 1985 is 230,000 U.S. bales, and it will be seeking more financing to cover its needs.

SEEDS

DENMARK estimates 1984/85 grass seed stocks will increase 53 percent over a year earlier. EC use of grass seed is declining because of dairy scheme changes. Green area enlargement in European cities has been largely accomplished, and the Danish grass seed production will be maintained by continued EC seed production support. As a result, U.S. grass seed exports may decline.

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TOBACCO

On Nov. 22, 1984, CANADA passed a bill to amend the National Farm Products Marketing Agencies Act. The amendment provides the legislature needed for Canadian tobacco growers to form a national tobacco marketing agency. Prior to the amendment, the application of national supply management programs was restricted to Canada's poultry industry. The introduction of a national tobacco agency could be expected to result in national production controls, cost of production pricing formulas and import protection.

Beginning Jan. 1, 1985, CHINA's tobacco trade will be conducted by the China Tobacco Import and Export Corporation (CTIEC), a newly formed national foreign trade enterprise established under the auspices of the China National Tobacco Corporation. CTIEC's foreign trade organization registration will allow it to conduct business directly with foreign trade companies. CTIEC will be responsible for importing and exporting leaf tobacco, tobacco products and all cigarette processing and packaging technology. The organization also will be empowered to enter into all forms of economic and technical cooperation with foreign entities. The head office will be located in Beijing; branches are to be opened in Shanghai, Guangdong, Fujian, Hubei and Dalian.

VEGETABLES

GREEK 1984 processing tomato production is estimated at a record 1.57 million tons, 24 percent above 1983 and slightly over the bumper crop of 1980, according to the U.S. agricultural counselor in Athens. This year's larger harvest is primarily attributed to favorable weather that boosted yields.

COFFEE, TEA AND COCOA

Coffee production in EL SALVADOR for the 1984/85 season is estimated at 3.0 million (60-kilogram) bags, 19 percent above the revised 1983/84 crop of 2.5 million bags and 20 percent more than the previous forecast. The production increase is attributed to higher yields because of improved weather. The 1983/84 crop, affected by cold weather during flowering and lack of rainfall, was the lowest outturn since 1975/76.

WOOD AND WOOD PRODUCTS

The IVORY COAST's Minister of Agricultural, Water and Forest Resources has instituted hardwood log export restrictions for 1983 and 1984 to encourage domestic production of value-added wood products, according to the U.S. agricultural attaché in Abidjan. Recently introduced log export controls by the Ivory Coast and other major tropical log suppliers, notably Indonesia and Malaysia, could provide significant market opportunities for U.S. hardwood products exporters in Europe, Japan and Taiwan.

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The export quota in the Ivory Coast totals 2 million cubic meters (CUM) of hardwood logs for the 1983/1984 period. Of this amount, 500,000 CUM may be exported under the discretion of the Minister to enable logging companies to earn foreign exchange to buy spare parts for their machinery.

Exports of logs from the Ivory Coast declined to 2.3 million CUM in 1982 from 3.2 million CUM in 1979. Major European markets for these logs included Italy, France, Spain and West Germany. During the past two years, Japan and Korean hardwood importers have become more active in West African countries because of declining log suppliers in Southeast Asia.

Increased competition for hardwoods to supply diverse furniture industries in Europe and Asia should serve to increase market opportunities for U.S. exporters.

Exports of hardwood sawlogs and veneer logs from the Ivory Coast during 1979-82 were as follows in 1,000 cubic meters:

	1979	1980	1981	1982
Japan	11	0	3	6
Italy	1,100	958	771	701
France	650	611	457	492
West Germany	196	177	149	126
Spain	371	391	224	260
Singapore	0	13	0	0
Korea	0	0	1	0
U.K.	71	37 1/	28 1/	30 1/
Other countries	800	878	710	669
Total	3,199	3,065	2,343	2,284

Source: FAO Yearbook of Forest Products 1980-1982 1/ Overseas Trade Statistics of the United Kingdom, HMSO.

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SCHEDULE OF ESTIMATE RELEASES--1985

Release dates in 1985 for world production estimates for selected commodities through the Weekly Roundup of World Production and Trade are as follows:

January	23	World Tree Nut Production
February	6	World Deciduous Fruit and Grape Production
	21	World Cocoa Production
March	6	World Poultry and Egg Production
	6	World Livestock Numbers and Red Meat Production
	13	World Dairy Production
April	24	World Pineapple Production
May	8	Southern Hemisphere Dried Fruit Production
	8	World Sugar Production
June	5	World Livestock Numbers and Red Meat Production
	5	World Poultry and Egg Production
	5	World Tobacco Production
	19	World Coffee Production
	19	Southern Hemisphere Citrus Production
July		No reports scheduled.
August		No reports scheduled.
September	5	World Poultry and Egg Production
	5	World Livestock Numbers and Red Meat Production
	11	World Honey Production
	11	World Dairy Production
	18	World Almond and Filbert Production
	25	Northern Hemisphere Apple and Pear Production
October	17	World Cocoa Production
	23	World Walnut and Pistachio Production
	30	World Sugar Production
November	6	Northern Hemisphere Dried Prune and Raisin Production
	27	Northern Hemisphere Citrus Production
December	4	World Tobacco Production
	4	World Poultry and Egg Production
	4	World Livestock Numbers and Red Meat Production
	11	World Coffee Production

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In 1985, summaries of world grain, oilseed and cotton production will be released in the monthly FAS circular, World Crop Production. World Crop Production and other FAS circulars may be subscribed to by contacting:

Information Division
Room 4644 South Building
Foreign Agricultural Service
U.S. Department of Agriculture
Washington, D.C. 20250

Release dates for the World Crop Production reports are as follows:

January	14	May	13	September	12
February	12	June	11	October	11
March	12	July	11	November	13
April	11	August	13	December	11

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Selected International Prices

Item		Jan. 2, 1985		Change from previous week	A year ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:					
Canadian No. 1 CWRS-13.5% 9/	190.50	5.18	0	198.00	
U.S. No. 2 DNS/NS: 14%....	181.50	4.94	0	194.00	
U.S. No. 2 S.R.W.	161.00	4.38	+4.00	165.00	
U.S. No. 3 H.A.D.	202.00	5.50	0	208.00	
Canadian No. 1 A: Durum 9/	205.00	5.58	-2.50	209.00	
Feed grains:					
U.S. No. 3 Yellow Corn....	130.50	3.31	+1.50	159.00	
Soybeans and meal:					
U.S. No. 2 Yellow.....	235.00	6.40	-6.50	328.00	
Brazil 47/48% SoyaPellets 4/	178.00	--	-3.50	287.00	
U.S. 44% Soybean Meal....	163.00	--	-1.00	263.00	
U.S. FARM PRICES 3/					
Wheat.....	123.81	3.37	.73	128.96	
Barley.....	73.95	1.61	.46	95.08	
Corn.....	98.03	2.49	0	127.95	
Sorghum.....	91.05	4.13 2/	.88	112.66	
Broilers 4/.....	1164.25	--	+47.40	1379.42	
EC IMPORT LEVIES					
Wheat 5/.....	44.30	1.21	-3.35	52.15	
Barley.....	55.00	1.20	+1.35	39.40	
Corn.....	48.05	1.22	-3.30	38.10	
Sorghum.....	52.35	1.33	-4.70	54.55	
Broilers 4/ 6/ 8/.....	N.Q.	--	--	N.Q.	
EC INTERVENTION PRICES 7/					
Common wheat(feed quality)	142.05	3.87	+1.10	171.65	
Bread wheat (min. quality) 7/	151.25	4.12	+1.10	187.50	
Barley and all					
other feed grains.....	142.05	--	+1.10	171.65	
Broilers 4/ 6/.....	N.Q.	--	--	N.Q.	
EC EXPORT RESTITUTIONS (subsidies)					
Wheat	N.A.	--	--	N.A.	
Barley.....	N.A.	--	--	N.A.	
Broilers 4/ 6/ 8/.....	N.Q.	--	--	N.Q.	

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ April-May.
 N.A.=None authorized. N.Q.=Not quoted. Note: Basis January delivery.

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